

# THE Pacific Commercial Advertiser

A MORNING PAPER.

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## AN EPOCH-MAKING CALAMITY.

The catastrophe at Lisbon in 1755, by which that city was ruined and 60,000 people lost their lives, has stood by itself as the greatest modern type of seismic disaster. So little has been recorded of a calamity in old Yeddo (now Tokio) by which 100,000 people are supposed to have been drowned by a tidal wave, following an earthquake, that the Lisbon horror has been treated as the one particular manifestation of the earth's lethal energy by which the effects of modern temblors may be measured. Yet Lisbon's fate has now been eclipsed by that of the cities near the Strait of Messina, where volcanic as well as earthquake force, with the added might of an intruding sea, have compassed the death of over 100,000 and perhaps 300,000 people and have laid populous cities in the dust. Besides this catastrophe, the destruction of Pompeii and Herculaneum, in the year 79, and any other event of similar origin since of which accounts are at all clear, belong in milder categories. We must almost seek the story of that vast legendary convulsion by which a continent beyond the pillars of Hercules sank, to be reached thereafter only by deep-sea soundings, to find anything more horrifying. A thousand years from now the Sicilian and Calabrian earthquake of 1908 will occupy a closely-read page in history. In ages beyond that legends will cluster about it and myths will rear their shadows of evil over the scene. It is a far-reaching terrestrial event, an epochal chapter of history. Literature, art and tradition will unite to convey its terrifying impressions to a remote posterity.

## CARNEGIE ON COPARTNERSHIP.

"In the future, labor is to rise still higher. The joint stock form opens the door to the participation of labor as shareholder in every branch of business. In this, the writer believes, lies the final and enduring solution of the labor question. Nothing can stand against the direct management of owners. We are only pioneers whose duty is to start the movement, leaving to our successors its full and free development as human society advances."

These are striking statements found in an article by Andrew Carnegie in the forthcoming January number of The World's Work. An editorial note states that the article is taken from Mr. Carnegie's new book, "Problems of Today," and that it is published in the magazine "because of the remarkable—it might be called even sensational—forecast that he makes of the continued improvement in the position of labor left profit-sharing does its perfect work and the laborer and the capitalist become the same man."

Mr. Carnegie tells of the beginnings made by the Carnegie Steel Company many years ago by making from time to time forty-odd young partners, who paid for their interest in the business by their notes, payable only out of the profits of the business. Great care, Mr. Carnegie says, was taken to admit workers of the mechanical department, which had hitherto been neglected by employers. Speaking further on the combination of many steel works into the one United States Steel Corporation, he says that the problem presented was not altogether new, "for individual and corporate management have coexisted since joint-stock companies were formed. The former had undoubtedly great advantages over the latter. Able men managing their own works, in competition with large bodies of shareholders employing salaried managers, were certain to distance their corporate competitors, and did so. Nothing can stand against the direct management of owners."

Going on to speak of the experiment of the United States Steel Corporation in interesting its officers and employees in its shares, Mr. Carnegie says that "every corporation could well afford to sell shares to its saving workmen, giving preference in repayment at cost as a first charge in case of disaster, just as present laws provide first for the mechanic's lien and for homestead exemption. This is due to the workmen who necessarily buy the shares without knowledge, and is asked to buy them, not solely for his own advantage, but for the benefit of the company as well—the advantage of both."

The writer points out that "just as the mechanical world has changed and improved, so the world of labor has advanced from the slavery of the laborer to the day of his absolute independence, and now to this day, when he begins to take his proper place as the capitalist-partner of his employer. We may look forward with hope to the day when it shall be the rule for the workman to be partner with capital, the man of affairs giving his business experience, the workingman in the mill his mechanical skill, to the company, both owners of the shares and so far equally interested in the success of their joint efforts, each indispensable, so that without their cooperation success would be impossible."

Replying to the possible charge of being oversanguine, Mr. Carnegie declares himself convinced that "the huge combination, and even the moderate corporation, has no chance in competition with the partnership, which embraces the principal officials and has adopted the system of payment by bonus or reward throughout its work. The latter may be relied upon, as a rule, to earn handsome dividends in times of depression, during which the former, conducted upon the old plan, will incur actual loss, and perhaps land in financial embarrassment."

By way of illustration, he cites the case of the Filene stores, of Boston, which, he says, "has gone farthest of all in the direction of making its employees shareholders." The establishment, he says, employs seven to nine hundred men, the capital stock is held only by employees, and is returned to the corporation at its value, should the employee leave the service. Every share of stock belongs to some one working in the stores. "The most important advance," says Mr. Carnegie, "is that all questions are submitted to arbitration, not only complaints or disputes, but wages, scope of work, and tenure of employment. More than four hundred cases of arbitration have arisen, and the result is that both managers and employees have been satisfied that this is the true plan. When an employee is discharged, he has the right to appeal to an arbitration board composed of fellow employees of different grades. All wage disputes have been satisfactorily settled. There is a profit-sharing department, having nothing to do with wages, which has been able to distribute varying amounts each year."

He goes on to describe the workings of the plan, remarking incidentally that the Filene stores are not excelled, if equaled, in making profits. He cites other examples of profit-sharing and joint-ownership, and then comes to his generalizations, in the course of which he says, among other things:

"Whether the communist's ideal is to be finally reached upon earth, after man is so changed that self-interest, which is now the mainspring of human action, will give place to heavenly neighbor-interest, can not be known. The future has not been revealed. He who says yes, and he who says no, are equally foolhardy. Neither knows, therefore neither should presume to consider, much less to legislate in their day, for a future they can know nothing of."

"The writer, however, believes one point to be clear—viz., that the next step toward improved labor conditions is through the stage of shareholding in the industrial world, the workman becoming joint owner in the profits of his labor. Payment to slaves and serfs, by providing shelter and food and clothing for them, then by orders upon the stores for articles, up to payment by cash to independent workmen today, each a great step forward, have all been tried, and now the coming day dawns when payment is to be made wholly or in part by profit-sharing, the workman having the status of the share-owning official and a voice in management as joint owner. He will be guaranteed a minimum wage, when finally paid by profits entirely, to keep his mind easy and free for his work, the proper support of himself and his family being thus insured."

"It may be mentioned that the investments of workmen-partners in the United States Steel Corporation have been very profitable to both the men and the company."

"One of the greatest advantages, the writer thinks, will be found in drawing men and managers into closer intercourse, so that they become friends and learn each other's virtues, for that both have virtues none knows better than the writer, who has seen both sides of the shield as employee and employer. In vast establishments it is very difficult, almost impossible, for workmen and employer to know each other, but when the managers and workmen are joint owners, and both are paid wages, as even the president of the company is, we shall see greater intercourse between them. In the case of disputes, it is certain that the workmen-partners have a status nothing else can give. They can attend all shareholders' meetings and have a voice there if desired. Entrance into the partnership class means increased power to workmen. On the other hand, knowledge of the company's affairs, its troubles and disappointments, which come at intervals to the most successful concerns, will teach the workmen much that he did not know before."

"Copartnership tends to bring a realizing sense of the truth to both labor

and capital that their interests, broadly considered, are mutual; and as far as the latter is considered it may finally, in some cases, be all furnished by those engaged in the works, which is the ideal that should be held in view—the workman both capitalist and worker, employee and employer."

"This, however, is not for our time. We are only pioneers, whose duty is to start the movement, leaving to our successors its full and free development as human society advances. The first company so owned will mark a new era in the relations of labor and capital. We may not have to wait long for this experiment, since it is in line with recent developments. The writer has no desire to embark again in business. But nothing would appeal to him so strongly as his ideal. He should like to address a body of workmen, many thousands in number, as all fellow partners."

"The writer is convinced," Mr. Carnegie says in conclusion, "that this is to be the highly satisfactory and final solution. The first step in advance has already come in the natural progress of evolution—no revolution necessary—and it is earnestly pressed upon the attention of the intelligent workman and his leaders, some of whom seem to have been misled into devoting themselves to the advocacy of a system, admittedly unsuited to our day, which requires an organic change in the relations of society, and, indeed, involves a complete revolution in the nature of man—the task of a thousand years. The experiment of labor and capital union—workmen-capitalists—has exceeded, so far, all expectations. Even the convinced Socialist might, therefore, hail it as at least a step in the right direction, making labor's position better than before, saying to himself: 'Let the future bring what it may, a bird in the hand is often worth a whole flock in the bush. Our socialistic remedy is for the future; let us not forget this in our dealing with the present.'"

"Such seems to the writer the part of wisdom."

Maui doubts that Judge Kekoikai's resignation was sent to or accepted by the President. We know nothing positive about acceptance, but it is true that Governor Frear carried the resignation to Washington to be used in case the charges against Judge Kekoikai should be deemed serious enough to warrant his removal. Rumors have come from there that the resignation has been filed and it is expected that, as soon as Congress reconvenes, the nomination of a new Judge will be sent to the Senate. This information, though not official, comes from well-informed sources, and we have no reason to discredit it.

The Mayor's appointments were made to be adjudicated so that his powers may be clearly defined. It is well at the outset to have his rights and duties and those of the supervisors' classified so as to avoid trouble in future. An appeal to the courts is in order, or will be soon, and it will be made without acrimony on either side.

The President-elect's remarks on the negro question in the South make a new and true definition of democracy: "Rule by the qualified majority." It is the only sort of democracy which safeguards the legal, economic and moral rights of the people and thus conserves good government.

Mr. Root will succeed Mr. Platt as Senator from New York, and Governor Hughes is in a fine position to supplant Senator Depew when the time comes. Root and Hughes would restore New York to its old standing in the upper house.

San Francisco, by an earthquake contribution of \$70,720, shows that she has not forgotten.

If you want a happy new year, it is largely up to you.

## BISHOP RINGS.

(Continued From Page One.)

eruptions throw a column of impalpable dust high into the air, to a height possibly of a hundred miles, and that this dust spreads rapidly through the rarified air, until finally the globe is encircled. This gives the hazy skies and it is the reflection of the sun's rays on this floating dust that gives the brilliant sun effects.

"This is the first time since the phenomena were first observed that there has been a repetition of them."

## Earthquake Not Related.

Dr. Bishop is not disposed to give much credence to the stories that there is some connection between the great earthquake of Monday in Italy and the various other minor shocks experienced in Montana, California and these Islands during the past two weeks.

"It is impossible for me to say that there is no connection between them, but I do not think so," he said. "Neither am I in any position to hazard a statement as to the cause of the Sicilian quake."

The venerable Doctor seems to be in very good spirits and gives the visitor a hearty handclasp and a genial smile. In spite of the fact that he speaks of his own frail condition, his appearance is by no means that of a man in anything but good health, quite as good as could be expected in a man of the age he is. Yesterday he received a large number of New Year callers and talked at fair length with many of them.

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